

GAO

Report to the Chairman, Committee on
the Budget, House of Representatives

April 1995

BUDGET ISSUES

Fiscal Year 1994 Budget Estimates and Actual Results





United States
General Accounting Office
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Accounting and Information
Management Division

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The Honorable John R. Kasich
Chairman, Committee on the Budget
House of Representatives

Dear Mr. Chairman:

Budget estimates seldom reflect actual year-end results. However, accuracy of budget projections is important to achieving fiscal responsibility in the federal government. Identifying and understanding recurring patterns among variations between estimates and actual results can facilitate future budget decision-making and deficit reduction efforts.

This report responds to your request that we compare the Office of Management's (OMB) original and revised estimates of the deficit, receipts, outlays, and economic assumptions with the actual fiscal year 1994 results. This is the fourth in a series of annual reports ¹ that identifies large differences between budget estimates and actual results and highlights the factors that have led to these differences. It is also the third year in which we examined account-level budget estimates. This report has the additional objective of looking at the trends in estimates for receipts, outlays, and economic assumptions over the 4-year period of fiscal years 1991 through 1994.

Results in Brief

At \$203.2 billion, the federal budget deficit for fiscal year 1994 proved \$60.9 billion, or 23 percent, lower than the level estimated when the budget was submitted in April 1993. Lower-than-estimated outlays, in part a result of better-than-expected economic performance, are largely responsible for the difference.

The economy in fiscal year 1994 was stronger in several dimensions than OMB predicted in April 1993. Although OMB's assumptions did not differ significantly from the forecast made by the Congressional Budget Office (CBO) or the Blue Chip consensus of forecasters, ² the Gross Domestic Product (GDP) grew faster than all anticipated, while inflation and

¹Budget Issues: Fiscal Year 1993 Budget Estimates and Actual Results (GAO/AIMD-94-68, February 4, 1994), Budget Issues: A Comparison of Fiscal Year 1992 Budget Estimates and Actual Results (GAO/AFMD-93-51, February 12, 1993), and Budget Issues: 1991 Budget Estimates: What Went Wrong (GAO/OCG-92-1, January 15, 1992).

²Eggert Economic Enterprises, Inc., publishes monthly the Blue Chip Economic Indicators, a summary of major private sector estimates.

unemployment rates were lower than expected. These differences helped reduce outlays and raise revenues from the 1993 estimates.

Although fiscal year 1994 revenues of \$1,257.7 billion were only \$6.5 billion higher than originally estimated, the totals mask significant offsetting differences for particular types of receipts. Corporate income tax receipts surged 16.7 percent beyond estimates as a consequence of better-than-expected economic growth and an increase in corporate profits as a share of national income. Individual income and social insurance tax receipts were somewhat lower than anticipated primarily because changes to the tax code created incentives, especially for high income taxpayers, to shift their tax liability from 1994 to 1993 or defer some to 1995 and 1996. This small percentage decline from the original estimate of taxes owed by individuals almost entirely offset the corporate tax increases.

Outlays for fiscal year 1994 were \$1,460.9 billion, \$54.4 billion less than estimated in the President's budget submission. As in prior years, a number of increases and decreases in different accounts occurred. But unlike prior years, no single area, such as deposit insurance, exerted a dominant impact. The largest dollar decreases from the outlay estimates can be attributed to deposit insurance, interest on the public debt, and health care programs (Medicare and Medicaid), all large accounts. The largest dollar increases over the original estimates are in the Defense Business Operations Fund and disaster relief activities.

Our systematic review of accounts over the last 4 years disclosed that revolving funds have presented perennial estimating problems as evidenced by significant percentage differences between estimates and actuals. This may be due in part to financial management problems as in the Defense Business Operations Fund (DBOF) or the nature of revolving funds where collections are used to offset outlays.

Background

The time from submission of the President's annual budget, which contains the first official estimates for a fiscal year, to the completion of that fiscal year spans nearly 2 years. For any given budget, the congressional budget process begins with the presentation of the President's budget request to the Congress. The President must submit his budget for the fiscal year beginning on October 1 of that year to the Congress no later than the first Monday in February. These budget estimates are subsequently revised as part of the budget request for the

upcoming fiscal year. These revisions reflect updated technical and economic assumptions as well as policy changes resulting from enacted legislation. Also, midsession reviews conducted during the summer, usually in July, also update budget estimates prior to the completion of the current fiscal year.

The President transmitted the account level details for his fiscal year 1994 budget request to the Congress in April 1993.³ He presented detailed estimates of receipts and outlays and a total deficit estimate of \$264.1 billion. In the President's fiscal year 1995 budget request submitted to the Congress in February 1994, the fiscal year 1994 deficit estimate was revised downward to \$234.8 billion. On October 28, 1994, the Department of the Treasury released the Final Monthly Treasury Statement of Receipts and Outlays of the United States Government (MTS) for fiscal year 1994, which reported the actual 1994 deficit of \$203.4 billion. The President transmitted his fiscal year 1996 budget to the Congress on February 6, 1995. In this document, the actual fiscal year 1994 deficit was reported at \$203.2 billion.

On August 10, 1993, the President signed into law the Omnibus Budget Reconciliation Act of 1993 (OBRA 93). The act was estimated to reduce the budget deficits in 1994 through 1998 by a total of \$504.8 billion through spending cuts of \$254.7 billion and revenue increases of \$250.1 billion.

Objectives, Scope, and Methodology

The objectives of this study were to (1) identify receipt and outlay components or accounts which experienced large variations between original estimates and actual results for fiscal year 1994, (2) determine in the fiscal years covered by our series of lookback reports (fiscal years 1991-1994) what factors contributed to these changes, and (3) assess whether there are any patterns in the variations between estimates and actuals.

To identify large differences between original fiscal year 1994 estimates and actual results, we compared estimates to actual results both in the aggregate and on an account-level basis. To identify variations on an aggregate basis, we examined receipt, outlay, and the resulting deficit estimates included in the original and revised budget estimates to the

³Budget of the United States Government, Fiscal Year 1994, April 1993, Executive Office of the President, Office of Management and Budget. In addition, the budget documents included A Vision of Change for America, dated February 17, 1993, and various parts from Budget Baselines, Historical Data, and Alternatives for the Future, issued by the previous administration, on January 6, 1993.

actual 1994 results reported by the Treasury and OMB.⁴ Throughout this report, we will refer to the April 1993 and February 1994 estimates as OMB's original and revised estimates, respectively.

For detailed analysis of receipts, we focused on the Treasury's estimates for seven "receipts source" categories in the President's budget request and Treasury's final MTS. We obtained explanations of the differences from Treasury.

To analyze outlays on an account-level basis, we obtained data from OMB's MAX budget system and its predecessor Budget Preparation System—the automated system used to collect and process information for the President's budget request. Using these data, we identified 187 accounts that collectively represented 95 percent of OMB's revised estimate of gross outlays. For each account, we compared OMB's original and revised net outlay estimates to the actual outlay data from Treasury and OMB. Appendix II displays the original and revised estimates and the actual outlays for the 187 accounts.

To determine the factors that contributed to the variations between the original outlay estimates and actual results for specific accounts, we interviewed OMB budget examiners and agency officials. We also reviewed the economic assumptions, policy proposals, and program information contained in the President's budget requests for fiscal years 1994 and 1995 as well as the midsession budget updates released in September 1993 and July 1994.

To analyze OMB's estimates of economic conditions, we compared its April 1993 macroeconomic projections for calendar year 1994 to CBO and the Blue Chip consensus of private forecasters' projections and to the actual 1994 results. Appendix I displays the forecasts and the actual data.

To assess whether there were patterns of estimating problems, we analyzed differences between the revised estimates and the actual results for fiscal years 1991 through 1994. We focused on this comparison for two reasons. First, it minimizes differences attributable either to unenacted presidential proposals or to enacted congressional initiatives not included in the President's proposals. Second, it highlights accounts where estimating problems are the greatest—accounts where even estimates made in midfiscal year were not accurate. Appendix III lists major budget

⁴Our original analysis was based on the fiscal year results reported by the Treasury in the final MTS. We then updated the data to reflect actual results reported in the fiscal year 1996 budget issued on February 6, 1995.

accounts for which actual outlays differed by more than 10 percent from the original estimates during at least 3 of the 4 fiscal years 1991 through 1994.

We did not attempt to verify the data discussed in this report which were obtained from the President's budget requests, the final MTS, or agency officials. We conducted our work from September 1994 through February 1995.

Deficit Less Than Originally Estimated

The \$203.2 billion fiscal year 1994 deficit represented a \$60.9 (23 percent) decline from the original April 1993 estimate, and was \$31.6 billion less than OMB's revised estimate. This pattern shows that although OMB expected the 1994 deficit to drop, it did not predict the magnitude of the decline. Table 1 gives the detail.

Table 1: Fiscal Year 1994 Aggregate Estimates and Actuals

Dollars in billions

| | Original estimate | Revised estimate | Actual | Actual minus original | Percent of original |
|----------|-------------------|------------------|-----------|-----------------------|---------------------|
| Receipts | \$1,251.3 | \$1,249.1 | \$1,257.7 | \$6.5 | 0.5 |
| Outlays | 1,515.3 | 1,483.8 | 1,460.9 | -54.4 | -3.6 |
| Deficit | \$264.1 | \$234.8 | \$203.2 | -\$60.9 | -23.1 |

Note: Small discrepancies may be due to rounding.

Source: Office of Management and Budget.

The actual fiscal year 1994 deficit represented a \$52.0 billion decline from the \$255.1 billion deficit for fiscal year 1993. A 3.7 percent growth in actual 1994 outlays over the fiscal year 1993 levels was offset by an even larger 9 percent growth in receipts from 1993 to 1994. The fiscal year 1994 deficit was the lowest since the \$152.5 billion recorded for fiscal year 1989 and the second consecutive year that the deficit declined.

Economy Performed Above Expectations

OMB's economic assumptions underlying the fiscal year 1994 budget underestimated actual economic performance. The unanticipated strength in the economy for fiscal year 1994 explains much of the differences between estimated and actual receipts and outlays. OMB underestimated GDP growth and overestimated both inflation (as measured by the Consumer Price Index (CPI)) and the unemployment rate. For calendar

year 1994, actual long-term interest rates were slightly higher than OMB's April 1993 estimate while actual short-term rates were slightly lower than the April 1993 estimate. The effect of these interest rate increases were not fully reflected in the interest on the public debt. Table 2 compares OMB's original assumptions with actual 1994 results.

Table 2: Comparison of OMB Economic Assumptions and Actual Results

| | Estimate | Actual | Actual minus estimate |
|--|----------|--------|-----------------------------|
| Real gross domestic product (percent change, 4th quarter over 4th quarter) | 3.3 | 3.7 | .4 |
| Consumer price index (percent change, 4th quarter over 4th quarter) | 3.1 | 2.9 | -.2 |
| Unemployment rate, civilian (annual average) | 6.4 | 6.1 | -.3 |
| Long-term interest rate (10-year) | 6.6 | 7.0 | .4 |
| Short-term interest rate (91-day) | 4.3 | 4.25 | -.05 |

The Council of Economic Advisers, with Treasury and OMB, prepares the economic forecasts that are used in developing the President's budget request. Estimates of major macroeconomic indicators that affect outlays and receipts are included in the budget documents. CBO and private forecasters also develop estimates of these indicators (as shown in appendix I). The administration's economic projections were generally close to those of CBO and the Blue Chip consensus of private forecasters.

During the fiscal year 1994 budget cycle, the performance of the economy had a positive impact on the budget. The growth in GDP for 1994 was 3.7 percent compared to the original estimate of 3.3 percent. The higher-than-anticipated economic growth was accompanied by lower-than-anticipated unemployment and lower-than-anticipated inflation as measured by the CPI. Strong economic growth and low unemployment increased receipts and reduced expenditures for some mandatory programs.

Interest rates on 3-month and 10-year Treasury notes were close to or slightly above OMB's April 1993 estimates. Although the actual annual averages for long- and short-term interest rates approximated the original estimates, this average obscures the lower-than-estimated interest rates prevailing for the first half of fiscal year 1994 which lowered interest payments. Interest rates, as measured by the 3-month and 10-year Treasury yields, began increasing in the third quarter of the fiscal year, largely in response to the Federal Reserve Board's six successive interest rate hikes

in 1994. The rise in interest rates in the latter half of fiscal year 1994 did not increase the debt service cost of the nation's debt above the original estimate and did not substantially reduce economic growth during the fiscal year. However, the effect of the rise in interest rates will affect the cost of borrowing in fiscal year 1995.

Offsetting Differences Kept Total Receipt Actuals Close to Estimates

Actual receipts for fiscal year 1994 were \$1,257.7 billion, just \$6.5 billion or 0.5 percent greater than the original estimate. This represents the smallest difference between overall receipt estimates and actuals in the 4 years we have examined them. This is the net result, however, of large offsetting variations among major receipt categories, in particular corporate income taxes and individual income taxes. Corporate income tax receipts were \$20.1 billion above estimated levels. Despite stronger-than-expected national economic growth, individual income tax receipts fell \$17.0 billion below original estimates. These results are shown in table 3.

Table 3: Receipt Estimates and Actual Results for Fiscal Year 1994

Dollars in billions

| Receipt source | Original estimate ^a | Revised estimate | Actual | Difference | |
|--|--------------------------------|------------------|------------------|-----------------------|---------------------|
| | | | | Actual minus original | Percent of original |
| Individual income taxes | \$560.0 | \$549.9 | \$543.1 | \$-17.0 | -3.0 |
| Corporate income taxes | 120.3 | 130.7 | 140.4 | 20.1 | 16.7 |
| Social insurance taxes and contributions | 465.0 | 461.9 | 461.5 | -3.5 | - .8 |
| Excise taxes | 51.4 | 54.6 | 55.2 | 3.9 | 7.5 |
| Estate and gift taxes | 12.7 | 12.7 | 15.2 | 2.5 | 20.1 |
| Customs duties | 21.3 | 19.2 | 20.1 | -1.2 | -5.6 |
| Miscellaneous receipts | 20.6 | 20.0 | 22.3 | 1.7 | 8.1 |
| Total | \$1,251.3 | \$1,249.1 | \$1,257.7 | \$6.5 | .5 |

Note: Small discrepancies may be due to rounding.

^a Includes legislative proposals.

Source: Office of Management and Budget.

Corporate Income Taxes

Corporate tax receipts were 16.7 percent (\$20.1 billion) above original estimates, despite the fact that the original estimate assumed a tax rate increase twice that enacted. The increase reflects both the unexpected

strength of the economy in 1994 and the fact that corporate profits gained more from that economic growth than expected. Fiscal year 1994 represents the second year in a row that corporate receipts exceeded initial projections.

Growth in taxable corporate profits can be difficult to predict. First, growth rate changes in either corporate revenue or expenditures can create large percentage swings in net profit, thereby complicating forecasts. Second, not all net profit is taxable, and taxable income can vary considerably depending on the extent of available offsets. Consequently, the receipts from taxing corporate profits can vary tremendously from one year to another.

This observation appears consistent with recent federal experience, as depicted in table 4. Annual growth in corporate income has varied a great deal compared to that of the overall economy, and federal receipt estimates have been affected. In fiscal year 1993, actual corporate tax receipts exceeded estimates by about 14 percent, but in 1992 and 1991 estimates exceeded actuals by about 2 percent and 24 percent, respectively.

Table 4: Percentage Change in GDP, Growth in Corporate Profits, and Actual Corporate Income Tax Receipts Compared to Original Estimates

| Percent change | | | | |
|--|-------|------|------|------|
| | 1991 | 1992 | 1993 | 1994 |
| Real GDP growth | -0.6 | 2.3 | 3.1 | 4.0 |
| Growth in corporate profits | -0.1 | 8.4 | 16.8 | 16.4 |
| Corporate income tax receipts actual to estimate | -24.3 | -1.6 | 13.9 | 16.7 |

Individual Income Taxes

Individual income tax receipts fell below estimates for the fourth consecutive year, this time by 3.0 percent (\$17.0 billion). Since a stronger-than-expected economy would be expected to produce higher-than-expected receipts, the drop understates the gap. The positive effects of unforeseen economic growth were offset by three factors: (1) changes to proposed income tax increases assumed in the original estimate, (2) changes in the tax code that created incentives for taxpayers to shift income from the 1994 tax year, and (3) the fact that overall economic growth led to less-than-expected growth in wage income.

About \$10 billion of the \$17 billion shortfall can be attributed to changes to originally-proposed tax increases. In its April 1993 estimate, OMB assumed enactment of tax proposals estimated to generate \$23.5 billion. The

majority of these proposals were related to an increase in the tax rate for high income individuals. Although the rate changes were enacted, the final legislation allowed taxpayers to spread their increased liability over 3 years. This had the effect of shifting some tax receipts from 1994 to 1995 and 1996.

Other changes to the tax code may also have shifted tax collections away from fiscal year 1994. Taxpayers, particularly those in the top brackets, have significant discretion over when they recognize income for tax purposes and can adjust the timing of income recognition to reduce overall tax liability when tax laws change. For example, the removal of the Hospital Insurance (HI) wage cap created incentives for such taxpayers to shift income from the 1993 tax year to 1992, thereby reducing collections for fiscal year 1994.

Estimators believe that a variety of other factors also contributed to the remaining decrease. For example, as noted above, a slower wage growth explained at least some of this difference. The economy's unexpected strength did not reflect wage growth rates consistent with past experience. Corporate profits drove increases in national income to a much greater extent than wage income. Hence, the economy's unforeseen strength had only marginal effects on individual income tax receipts, although absent such strength, receipts would have been even lower.

Social Insurance Receipts

Not surprisingly, the weakness in wage growth also affected social insurance receipts. Actual social insurance receipts for fiscal year 1994 fell \$3.5 billion short of the original estimate. This is only a 0.8 percent drop and represents, for a revenue source this large, a near exact match of estimates with actuals.

However, this overall match masks offsetting changes. We were told, for example, that the positive effects of removing the HI wage cap and the unexpectedly strong economy were offset by the unexpectedly weak wage response to the strong economy.

Other Receipts

Other receipts for fiscal year 1994 totaled \$112.8 billion. These receipts included \$55.2 billion for excise taxes, \$20.1 billion in custom duties and fees, \$15.2 billion in estate and gift taxes, and \$22.3 billion for miscellaneous receipts. The difference between the actual receipts and

original estimates were the result of enacted legislation and strong economic conditions as described below.

- **Excise taxes:** The phasein of an increase in the transportation fuels tax and stronger than anticipated economic growth resulted in an increase of \$3.9 billion over the estimate.
- **Custom duties and fees:** A 1-year extension of the Generalized System of Preferences and the implementation of the North American Free Trade Agreement were responsible for the decrease of \$1.2 billion in duties collected compared to the estimate.
- **Estate and gift taxes:** The value of assets subject to inheritance and gift taxes was greater than anticipated, which resulted in a \$2.5 billion increase in estate and gift taxes.
- **Miscellaneous Receipts:** Miscellaneous receipts are primarily composed of earnings on Federal Reserve assets. Higher than anticipated average interest rates and higher-than-expected asset values on securities denominated in foreign currencies increased earnings on Federal Reserve deposits by \$1.9 billion.

Outlays Less Than Expected in a Variety of Accounts

Actual fiscal year 1994 outlays of \$1,460.9 billion were \$54.4 billion lower than OMB's original April 1993 estimate. Unlike 1991 through 1993, when deposit insurance accounted for the bulk of the difference in outlays, there is no single component or account that dominates the reduction from the original estimates. Although deposit insurance still represents the largest dollar decrease (\$15.1 billion) from the original estimates, numerous others, such as interest on the public debt, Medicare, Medicaid, Guaranteed Student Loans, and Social Security, accounted for other large dollar reductions. These reductions were partially offset by outlays exceeding estimates for the Defense Business Operations Fund, Disaster Relief, and to a lesser extent, several other activities.

Deposit Insurance Outlays Less Volatile Than in Prior Years

Although the original estimates of deposit insurance outlays differed less from actual outlays in 1994 than in prior years, they still represent the largest difference between estimates and actuals of all the components or accounts in the budget. Actual results were outlays of \$-7.6 billion,⁵ a \$15.1 billion swing from the original outlay estimate of \$7.5 billion. Most of this change resulted from improvements in the financial condition of the banking and thrift industries due to favorable economic conditions, especially lower interest rates.

⁵Negative outlays occur when collections exceed spending.

Nearly all of the variation in the estimates occurred in three deposit insurance accounts: the Bank Insurance Fund (BIF), the Resolution Trust Corporation's (RTC) revolving fund, and the Savings Association Insurance Fund (SAIF). The other deposit insurance account that experienced a notable change is the Federal Savings and Loan Insurance Corporation Resolution Fund (FRF). As shown in table 5, the largest change occurred in BIF. Although there are variations in RTC and SAIF, these differences are mostly attributable to the timing of the RTC's transferring the resolution of thrift failures to SAIF.⁶ When the outlays for SAIF and RTC are viewed together, the variations are minimal. FRF experienced a smaller but still significant variation. These four accounts, BIF, RTC, SAIF, and FRF, constitute more than 95 percent of deposit insurance total outlays in 1994.

Both RTC and the Federal Deposit Insurance Corporation (FDIC) are responsible for the resolution of insolvent thrifts and banks, that is, selling the assets of failed institutions and settling all claims, including deposit guarantees of insured customers. The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 established RTC as a temporary agency charged with resolving failed thrifts. Since February 1989, thrift resolutions have been funded through RTC's revolving fund.⁷ FDIC administers the other bank and thrift deposit insurance activities through (1) BIF for banks, (2) FRF for resolution commitments stemming from thrifts which failed before January 1, 1989, and (3) SAIF, which is scheduled to take over the resolution of failed thrifts from RTC on July 1, 1995.

⁶The RTC Completion Act of 1993 extended RTC's resolution authority from September 30, 1993, to at least January 1, 1995, and no later than July 1, 1995, the exact date of which was to be determined by the chairperson of the Thrift Depositor Protection Oversight Board. On December 5, 1994, the chairperson made the determination that RTC would continue to resolve failed thrift institutions through June 30, 1995.

⁷Under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, SAIF currently has financial responsibility for all federally insured depository institutions that became members of SAIF after August 8, 1989, for which RTC does not have resolution authority, and all deposits insured by SAIF that are held by BIF-member banks, so called "Oakar" banks, created pursuant to the "Oakar amendment" provisions, section 5(d)(3) of the Federal Deposit Insurance Act.

Table 5: Deposit Insurance Estimates and Actual Results for Fiscal Year 1994

Dollars in billions

| Deposit insurance component | Original estimate ^a | Revised estimate | Actual | Difference | |
|-----------------------------|--------------------------------|------------------|---------------|-----------------------|---------------------|
| | | | | Actual minus original | Percent of original |
| BIF | \$2.8 | \$-6.8 | \$-9.5 | \$-12.3 | -441.9 |
| RTC | -4.3 | 3.5 | 4.1 | 8.4 | 195.0 |
| SAIF | 7.9 | -1.1 | -1.2 | -9.1 | -115.2 |
| FRF | 1.3 | 1.4 | -0.7 | -2.0 | -153.0 |
| NCUSIF ^b | -0.2 | -0.3 | -0.3 | -0.1 | 67.9 |
| Total | \$7.5 | \$-3.3 | \$-7.6 | \$-15.1 | -201.0 |

Note: Small discrepancies may be due to rounding.

^aIncludes legislative proposals.^bNational Credit Union Share Insurance Fund.

Source: Office of Management and Budget.

Bank Insurance Fund

Actual outlays for BIF were \$-9.5 billion, \$12.3 billion lower than the original estimate of \$2.8 billion. This difference resulted primarily from improved economic conditions. Declining interest rates reduced the number of bank failures and increased bank profitability. The original estimate of failed bank assets was revised downward from \$43.0 billion to \$10.2 billion. Actual failed assets were \$1.6 billion.

Resolution Trust Corporation and Savings Association Insurance Fund

RTC outlays were \$8.4 billion higher than originally estimated and SAIF outlays were \$9.1 billion less than originally estimated, as shown in table 5. These differences are largely a result of a change in timing. Therefore, combining the outlays for both RTC and SAIF represents a more accurate picture of the gap between estimates and actuals. When the original estimates for the 1994 budget were being developed, it was assumed that SAIF would be taking over the resolution of failed thrifts from RTC in the beginning of 1994. However, the passage of the RTC Completion Act in December 1993 effectively extended RTC's authority to resolve most thrifts through the first half of 1995. Combined actual outlays were \$0.6 billion less than the original estimate.

Federal Savings and Loan Insurance Corporation Resolution Fund

Actual outlays for FRF were \$-0.7 billion (153 percent) lower than the original estimate of \$1.3 billion. Outlays were less than anticipated both because FRF received more than expected from asset sales—due to the

improved economy—and because some 1994 outlays were unexpectedly delayed until 1995.

Outlays for Major Health Programs Were Overestimated

Although growth in expenditures for both Medicaid and Medicare, the two largest health care programs, continued to outpace inflation, actual outlays were less than originally estimated. Between 1993 and 1994, Medicaid outlays grew 8 percent and Medicare outlays grew 11 percent. However, for the second year in a row, Medicaid outlays were less than originally expected. In addition, the recent pattern of higher-than-estimated outlays for Medicare was reversed in 1994.

Medicaid

In 1994, Medicaid outlays were 10.8 percent less than the original estimate (\$82.0 billion versus \$92.0 billion). This repeats the 1993 experience when outlays were 10.2 percent lower than the original estimate (\$75.8 billion versus \$84.4 billion). The experience of 1993 and 1994 differs from that of the early 1990s when actual outlays were over 10 percent higher than originally estimated.

Table 6: Medicaid Estimates and Actual Results for Fiscal Year 1994

| Dollars in billions | | | | | |
|---------------------|--------------------------------|------------------|--------|-----------------------|---------------------|
| Component | Original estimate ^a | Revised estimate | Actual | Difference | |
| | | | | Actual minus original | Percent of original |
| Medicaid | \$92.0 | \$87.2 | \$82.0 | \$-9.9 | -10.8 |

Note: Small discrepancies may be due to rounding.

^aIncludes legislative and investment proposals.

Source: Office of Management and Budget.

As in 1993, difficulty in anticipating state behavior was a key contributor to the difference between the original Medicaid estimate and the actual outlays for fiscal year 1994. Medicaid outlays rise and fall with state claims for federal Medicaid funds, which in 1994—like in 1993—were lower than expected. Although lower than expected state claims for the first half of the year led the Health Care Financing Administration (HCFA) to revise its outlay estimates downward by \$4.8 billion, as shown in table 6, actual outlays were an additional \$5.1 billion less than the revised estimate. The reasons for the decrease are not readily identifiable, but they appear to include factors ranging from recent federal legislation (see below), state efforts to control costs, and changes in the economy.

Estimating the impact of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991 and OBRA 93 proved difficult. This legislation sought to limit actions states could take to increase the federal government's share of Medicaid costs by (1) restricting the use of provider specific taxes and donations as a source of state matching funds and (2) limiting disproportionate share payments to hospitals.⁸ HCFA originally underestimated the impact on state spending of this legislation. In addition, many states tried to lower costs by implementing managed care. The economy also influences medical spending; both medical price inflation and the number of beneficiaries were lower than expected.

The Medicaid program presents a major estimating challenge. Each state makes different program choices. Further, eligibility is hard to predict, benefits are not cash, implementation and financing are shared among multiple parties and levels of government, and interactions with other programs are complex.⁹ Also, estimators may use different assumptions to move from previous actuals to future estimates. For example, in fiscal year 1993, both OMB and CBO developed estimates for Medicaid using HCFA quarterly estimates of state Medicaid spending projections as a base. However, OMB and CBO made different assumptions about the increase in health care costs, number of beneficiaries, and program utilization rates and intensity to inflate HCFA data. Furthermore, OMB and CBO assessed the accuracy of state forecasts differently.¹⁰

Medicare

In 1994, the trend of underestimating Medicare outlays was reversed; actual outlays of \$162.5 billion were \$2.3 billion (1.4 percent) lower than the original estimate. Outlays for Medicare Part A¹¹—the Hospital Insurance component—were \$1.6 billion (1.5 percent) more than estimated. Outlays for Medicare Part B¹²—the Supplemental Medical Insurance component—more than offset the Part A increase with results \$3.8 billion (6 percent) lower than expected.

⁸For a further discussion of this legislation see Medicaid: States Use Illusory Approaches To Shift Program Costs to Federal Government (GAO/HEHS-94-133, August 1, 1994).

⁹For a fuller discussion of these program features and their influence on estimating, see Budget Policy: Issues in Capping Mandatory Spending (GAO/AIMD-94-155, July 18, 1994).

¹⁰Budget Issues: Compliance with the Budget Enforcement Act of 1990 (GAO/AFMD-93-38, November 23, 1992).

¹¹Medicare Part A funds hospital or related care for the elderly and disabled.

¹²Medicare Part B covers expenses for physicians and other medical services.

Table 7: Medicare Estimates and Actual Results for Fiscal Year 1994

Dollars in billions

| Component | Original estimate ^a | Revised estimate | Actual | Difference | |
|--------------|--------------------------------|------------------|----------------|-----------------------|---------------------|
| | | | | Actual minus original | Percent of original |
| Part A | \$101.2 | \$102.9 | \$102.8 | \$1.6 | 1.5 |
| Part B | 63.6 | 58.3 | 59.7 | -3.8 | -6.0 |
| Total | \$164.8 | \$161.2 | \$162.5 | \$-2.3 | -1.4 |

Note: Small discrepancies may be due to rounding.

^aIncludes legislative and investment proposals.

Source: Office of Management and Budget.

Part A 1994 outlays of \$102.8 billion were only 1.5 percent higher than the original estimate of \$101.2 billion. This is a significantly smaller gap than in the past when Part A outlays had been approximately 10 percent higher than estimates. The primary reason for the 1994 difference is that legislation provided less savings than anticipated in the original estimate.¹³

However, this slight increase masks offsetting differences within the components of Part A, specifically, differences between the original estimate and actual outlays for skilled nursing facilities (SNFs) and home health care.

As in 1993, SNF costs exceeded estimates in 1994. In 1993, SNF outlays soared more than 75 percent above the original estimate; 1994 outlays of \$7.1 billion represented a 29 percent increase over the original estimate of \$5.5 billion. HCFA staff told us that they had assumed growth in SNF expenditures would slow in 1994.¹⁴ However, the actual rate of growth for SNF expenditures in 1994 was significantly higher than that HCFA assumed. Increases primarily in SNF costs per day are responsible for the increase in outlays.

Lower than expected Part A payments for home health care offset the SNF difference. In 1994, home health care outlays of \$12.0 billion were

¹³When the 1994 Part A outlay estimates were developed, HCFA assumed proposed legislation would save \$1.8 billion from the current services estimate of \$103.0 billion. However, only about one half of the anticipated savings were realized because (1) not all of the proposed legislation was enacted and (2) some of the savings associated with the legislation that was enacted were less than expected.

¹⁴In 1992 and 1993, SNFs grew rapidly due to increased awareness of the existing skilled nursing care benefit resulting from the enactment and subsequent repeal of the Medicare Catastrophic Coverage Act of 1988, which contained provisions expanding some of the program's benefits. Budget Issues: Fiscal Year 1993 Budget Estimates and Actual Results (GAO/AIMD-94-68, February 4, 1994).

\$1.6 billion (12 percent) less than the original estimate of \$13.6 billion. When HCFA was developing its 1994 estimate, home health care expenditures had been increasing rapidly. In 1993, home health care expenditures of \$9.5 billion were more than 37 percent higher than the original estimate of \$6.9 billion.¹⁵ Although HCFA assumed the growth in home health care expenditures would slow, the rate of increase slowed even more than anticipated.

Table 8: Skilled Nursing Facilities and Home Health Care Estimates and Actual Results for Fiscal Year 1994

Dollars in billions

| Component | Original estimate | Actual | Actual minus original | Percent of original |
|------------------|-------------------|--------|-----------------------|---------------------|
| SNF | \$5.5 | \$7.1 | \$1.6 | 29.1 |
| Home Health Care | \$13.6 | \$12.0 | \$-1.6 | -11.8 |

Source: Health Care Financing Administration.

Consistent with the 1993 experience Part B outlays were less than expected in 1994. In 1993, Part B outlays were 11 percent less than the original estimate. In 1994, Part B outlays were 6.0 percent less than the original estimate. Most of this difference in 1994 was due to lower-than-expected physician payments caused by a continued, yet unanticipated, reduction in the volume of services performed by physicians. Although physician payments have been decreasing since the new physician fee schedule was implemented in 1992, HCFA staff suggested that this trend is temporary and they expect physician payments will soon experience rates of increase similar to those in the past.

Deficit Reduction and Lower-Than-Expected Interest Rates Reduced Debt Servicing Costs

Interest on the public debt totaled \$296.3 billion for fiscal year 1994, \$13.4 billion (4.3 percent) less than OMB's April 1993 estimate of \$309.7 billion. About \$1.5 billion of the decrease was the result of lower-than-expected borrowing for fiscal year 1994 and about \$11.9 billion was the result of lower-than-expected interest rates. The lower rates reduced both the costs of refinancing existing debt and the cost of new borrowing.

The refinancing of existing government debt influences the amount of interest expenditure more than the amount of new borrowing because the

¹⁵This unanticipated growth in home health care was due to expanded coverage resulting from an out-of-court settlement of a 1989 lawsuit against HCFA. Budget Issues: Fiscal Year 1993 Budget Estimates and Actual Results (GAO/AIMD-94-68, February 4, 1994).

amount of refinanced debt in any given year is far greater than the current year's deficit. In fiscal year 1994, the government borrowed \$184.7 billion from the public to cover the deficit.¹⁶ However, the Treasury borrowed about \$2 trillion to refinance existing debt. Approximately half of the outstanding Treasury securities have a maturity of 5 years or less. This means that the Treasury has to refinance a substantial portion of existing debt every year. Although short-term borrowing should lower interest expenditures as opposed to long-term borrowing, it exposes the government to yearly interest rate fluctuations and causes interest expenditures to be heavily influenced by the prevailing interest rates in the current fiscal year.

The April 1993 estimate for interest on the public debt assumed higher interest rates than turned out to exist during the first half of fiscal year 1994. A majority of the debt was refinanced during this period in fiscal year 1994 with lower than anticipated interest rates. The rise in interest rates occurring in the latter part of fiscal year 1994 will not be fully reflected in interest payments until fiscal year 1995 when a large portion of the outstanding debt is refinanced under those higher rates.

Other Significant but Offsetting Outlay Variations

In addition to the accounts discussed above, there are many other accounts with significant differences between estimated and actual outlays. Of the 187 accounts constituting 95 percent of fiscal year 1994 gross outlays (see appendix II), including the accounts discussed previously, there were 28 accounts for which actual outlays were \$500 million or more lower than their original estimates, while 17 accounts had actual outlays exceed estimates by \$500 million or more. Some of the accounts not previously discussed that have significant differences are discussed below.

The Federal Family Education Loan (Guaranteed Student Loans) Liquidating Account was \$4.8 billion (272 percent) less than the original estimate. This decrease is due to an unanticipated and one time event—the Student Loan Marketing Association prepaid its entire debt of \$4.7 billion in 1994.

¹⁶The federal government finances the deficit primarily through borrowing from the public. Other means of financing the deficit include changes in Treasury cash balances, revenue from the manufacture of coins, and net financing disbursements for direct and guaranteed loans.

A \$1.7 billion (less than 1 percent) decrease from the original estimate for Social Security's ¹⁷ Old Age and Survivors Insurance Trust Fund and a \$1.1 billion (4 percent) decrease in Supplemental Security Income are the result of lower than expected inflation and an improved economy, which caused both benefit amounts and the number of beneficiaries to be less than expected.

Outlays for the Commodity Credit Corporation Fund for fiscal year 1994 were \$9.8 billion, \$1.7 billion (15 percent) below the original estimate. The April 1993 estimate was based on 1992 supply and demand estimates. The 1993 floods in the Midwest reduced corn production and thus reduced outlays for corn price supports, a primary explanation of the difference. This reduction in outlays was partially offset by an increase in 1993 crop disaster assistance in response to the same flood. ¹⁸

Defense Business Operations Fund outlays were \$3.4 billion, \$5.8 billion (235 percent) more than the \$2.5 billion in negative outlays originally estimated. We have previously reported that accurate estimates for DBOF are difficult to develop because Department of Defense (DOD) lacks effective cash management practices, financial reporting, and cost accounting systems. For example, we reported that DBOF's fiscal year 1993 financial information on the results of operations differed by \$6.1 billion from the data used in preparing DBOF's budget. ¹⁹ We also reported that an analysis of DOD budget documents disclosed that DOD's estimates of DBOF's operating results have been consistently overly optimistic. ²⁰

Outlays for Disaster Relief for fiscal year 1994 were \$3.7 billion, \$2.4 billion (180 percent) above the original estimate. Greater than anticipated outlays for the Northridge earthquake and the midwestern floods were responsible for the increase in expenditures.

Payments Where Earned Income Credit Exceeds Liability for Taxes for fiscal year 1994 were \$10.9 billion, \$1.2 billion (12 percent) higher than the

¹⁷The Disability Insurance Trust Fund, the other component of Social Security, experienced a less significant decrease of \$600 million from the original estimate to actual outlays.

¹⁸The 1993 crop disaster program was not authorized until Public Law 103-75 was enacted on August 12, 1993.

¹⁹Financial Management: Status of the Defense Business Operations Fund (GAO/AIMD-94-80, March 9, 1994). See also Defense Business Operations Fund: Management Issues Challenge Fund Implementation (GAO/AIMD-95-79, March 1, 1995).

²⁰Defense Business Operations Fund: Improved Pricing Practices and Financial Reports Are Needed To Set Accurate Prices (GAO/AIMD-94-132, June 22, 1994).

original estimate. This difference resulted from the unanticipated increase in largely people with one or more children, applying for the credit. In addition, the average credit was larger than originally anticipated to an increase in the amount of people applying for the credit, OBRA 93 increased the size of the credit claimed.

Trend Analysis Highlights Revolving Fund Issues

Examining trends in estimation error can highlight potential problems. In the preceding analysis, we looked at accounts with large dollar differences between estimates and actuals in fiscal year 1994, observing similarities and differences in prior years' estimating experience with those accounts. In the following analysis, we examine those accounts with the largest percentage difference between revised estimates and actuals over the last 4 fiscal years. By using a percentage difference threshold, we have isolated those accounts with the greatest proportionate problems; by using revised estimates as the basis for comparison, we have both (a) eliminated the disparities reflecting the differences between proposed policies and those ultimately enacted and (b) isolated those accounts where estimation errors remained large even at midfiscal year.

In this analysis, we found that 46 accounts—listed in appendix III—had differences of over 10 percent between the revised estimates and actual outlays at least three times during the 4 years fiscal years 1991 through 1994. Together these 46 accounts explained approximately 85 percent of the difference between the revised estimates and actual outlays over all 4 years. Over half of these—26 accounts—were revolving funds.

The nature of revolving fund accounts may help explain this apparent estimating problem. Revolving funds' net outlays are equal to gross outlays (i.e., the costs of providing the services) minus offsetting collections (the amount paid for the services). The funds' dependency on offsetting collections increases the sensitivity of the estimates to changes in external factors. For example, the estimates for the Bonneville Power Administration Fund are dependent on assumptions about both the supply of and demand for federal energy. Deviations from the assumed conditions (i.e., decreases in demand or a drought which decreases the ability to generate hydroelectric power) can lead to large shifts in the offsetting collections and thus to large percentage shifts in the net outlays. This may be the reason why 8 of the 10 accounts with the largest average absolute percentage difference were revolving funds. (See table 9.)

As shown in table 9, three of the eight revolving funds were credit reform liquidating accounts. Differences between revised estimates and actual outlays for these accounts may be due in part to the longstanding financial system problems within agencies. We have reported ²¹ that in preparing estimates, agencies had to rely on information that has historically been incomplete and unreliable.

Table 9: Accounts With Largest Average Absolute Percentage Difference Between Revised Estimate and Actual Outlays

Dollars in billions

| | Agency | Account | Account type | Actual 1994 gross outlays ^a | Absolute average percent change |
|----|---|---|-----------------------------|--|---------------------------------|
| 1 | Department of Agriculture | Rural Electrification and Telephone Revolving Fund Liquidating Account | Revolving fund | \$3.0 | 432.06 |
| 2 | Federal Emergency Management Agency | National Flood Insurance Fund | Revolving fund | 0.7 | 314.87 |
| 3 | Department of Health and Human Services | Program Management | Discretionary | 2.1 | 202.75 |
| 4 | Department of Housing and Urban Development | FHA Mutual Mortgage and Cooperative Housing Insurance Funds Liquidating Account | Revolving fund | 4.4 | 145.47 |
| 5 | Department of Energy | Uranium Supply and Enrichment Activities | Revolving fund ^b | 1.5 | 140.34 |
| 6 | Legislative Branch | Government Printing Office Revolving Fund | Revolving fund | 0.9 | 134.10 |
| 7 | Federal Deposit Insurance Corporation | Bank Insurance Fund | Revolving fund | 3.2 | 118.04 |
| 8 | Department of Defense | Defense Business Operations Fund | Revolving fund | 81.2 | 103.37 |
| 9 | Department of Labor | State Unemployment Insurance and Employment Service Operations | Discretionary | 3.6 | 94.95 |
| 10 | Department of Veterans Affairs | Loan Guaranty Revolving Fund Liquidating Account | Revolving fund | 1.4 | 85.55 |

^aThese outlays are shown to provide perspective on the size of these accounts.

^bThis account is a merged account that includes the activities of the United States Enrichment Corporation.

²¹Federal Credit Programs: Agencies Had Serious Problems Meeting Credit Reform Accounting Requirements (GAO/AFMD-93-17, January 6, 1993).

After revolving funds, the second largest grouping was the seven discretionary accounts with activity in the National Defense function (050). As we have noted previously, differences between estimates and actual outlays are not unusual for military accounts.²² Reprogramming agreements between congressional committees and DOD allow the shifting of funds within appropriations, and transfer authority allows the shifting of funds between appropriations. Second, since several of these accounts have operational links with DBOF—which itself shows up on the top ten accounts list—they were affected by DBOF’s financial management difficulties. As we have previously stated in this report, accurate DBOF estimates are difficult to develop because DOD lacks effective cash management practices and accounting systems.

Observations

No truly large and daunting estimation differences existed in 1994, a result consistent with a budget world experiencing a stable economy and frozen discretionary spending. Most accounts controlled by discretionary budget limits did not—as they should not—vary significantly from estimates; economic assumptions that form the basis for estimates of receipts and of mandatory outlays were close to experience and resulted mainly in small estimate-to-actual differences. Furthermore, deposit insurance continued to fade both as a driver of the deficit and a source of estimate-to-actual volatility. In such a year, the more routine technical estimation difficulties emerge from the background.

Yet the experience of 1994 also underscores the sensitivity of budget outlays and receipts to changes in economic conditions. As we noted in our February 1994 report, economic forecasting is an enormously complex process involving multiple variables and estimates about future events. Because economic turning points are so difficult to anticipate, budget forecasts will be closer to reality when the economy is stable, as in 1994. Yet the difficulty of anticipating turning points applies not only to the aggregate economy but also to movements below the aggregate. For example, although 1994 receipt estimates proved nearly exactly right in total, this overall result masked large offsetting differences between corporate income-based receipts and wage-based receipts, a result in part of extremely rapid income growth in the corporate sector—for 2 years running—and the wage base’s more sluggish response to overall economic growth. Such differences between estimates and actuals, although not

²²Budget Issues: Fiscal Year 1993 Budget Estimates and Actual Results (GAO/AIMD-94-68, February 4, 1994).

affecting total receipts in 1994, bear watching as potential indicators of larger economic change and, ultimately, larger estimation problems.

In addition, our 4-year trend analysis revealed that certain accounts, primarily revolving funds, are prone to perennial technical problems in estimating net outlays. Further study would be necessary to assess the specific nature of these estimating problems. Although net outlays for revolving funds may be inherently difficult to forecast, improved financial management might help agencies gain better information on the operations of these programs and contribute to improved estimation. The issue of accurately forecasting net outlays for revolving funds will become more important if more of the government's business-type operations are moved to such a form of financial management, as has been proposed.

We are sending copies of this report to the Ranking Minority Member of your Committee and to the Chairman and Ranking Member of the Senate Committee on the Budget. We are also sending copies to the Chairmen and Ranking Members of the Senate Committees on Appropriations, on Governmental Affairs, and on Finance and to the Chairmen and Ranking Minority Members of the the House Committees on Appropriations, on Government Reform and Oversight, and on Ways and Means. Copies are also being provided to the Director of the Congressional Budget Office, The Secretary of the Treasury, and the Director of the Office of Management and Budget. Copies will be made available to others upon request.

Sincerely yours,

A handwritten signature in black ink, reading "Susan J. Irving". The signature is written in a cursive, flowing style.

Susan J. Irving
Associate Director, Budget Issues

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Abbreviations

| | |
|---------|--|
| BIF | Bank Insurance Fund |
| CBO | Congressional Budget Office |
| CPI | Consumer Price Index |
| DBOF | Defense Business Operations Fund |
| DOD | Department of Defense |
| FDIC | Federal Deposit Insurance Corporation |
| FRF | Federal Savings and Loan Insurance Corporation Resolution Fund |
| GDP | Gross Domestic Product |
| HCFA | Health Care Financing Administration |
| HI | Hospital Insurance |
| MTS | Monthly Treasury Statement of Receipts and Outlays of the United States Government |
| NCUSIF | National Credit Union Share Insurance Fund |
| OBRA 93 | Omnibus Budget Reconciliation Act of 1993 |
| OMB | Office of Management and Budget |
| RTC | Resolution Trust Corporation |
| SAIF | Savings Association Insurance Fund |
| SNF | skilled nursing facilities |

Calendar Year 1994 Economic Assumptions

| | CBO ^a | OMB | Blue Chip ^b | Actual |
|--|------------------|-----|------------------------|--------|
| Real Gross Domestic Product (percent change, 4th quarter over 4th quarter) | | | | 3.7 |
| Early 1993 | 3.0 | 3.3 | 3.2 | |
| Midyear 1993 | 2.7 | 3.0 | 2.7 | |
| Early 1994 | 2.8 | 3.0 | 2.7 | |
| Midyear 1994 | 3.6 | 3.0 | 3.1 | |
| Consumer Price Index (percent change, 4th quarter over 4th quarter) | | | | 2.9 |
| Early 1993 | 2.7 | 3.1 | 3.6 | |
| Midyear 1993 | 3.1 | 3.3 | 3.4 | |
| Early 1994 | 2.9 | 3.0 | 3.1 | |
| Midyear 1994 | 2.8 | 2.9 | 2.8 | |
| Unemployment rate (annual average) | | | | 6.1 |
| Early 1993 | 6.6 | 6.4 | 6.5 | |
| Midyear 1993 | 6.6 | 6.5 | 6.6 | |
| Early 1994 | 6.4 | 6.4 | 6.4 | |
| Midyear 1994 | 6.2 | 6.3 | 6.3 | |
| Long-term interest rate | | | | 7.0 |
| Early 1993 | 6.6 | 6.6 | 7.2 | |
| Midyear 1993 | 6.1 | 5.9 | 6.3 | |
| Early 1994 | 5.8 | 5.8 | 5.9 | |
| Midyear 1994 | 6.8 | 6.8 | 6.8 | |
| Short-term interest rate | | | | 4.25 |
| Early 1993 | 3.7 | 4.3 | 4.2 | |
| Midyear 1993 | 3.6 | 3.6 | 3.6 | |
| Early 1994 | 3.5 | 3.4 | 3.4 | |
| Midyear 1994 | 4.1 | 4.0 | 4.0 | |

^aThe CBO summer forecasts were used for the midyear 1994 estimate.

^bThe Blue Chip does not project a 10-year Treasury yield. The values shown are based on the Blue Chip estimates for the Aaa corporate bond rate adjusted to reflect the estimated spread between the Aaa bond and the 10-year Treasury rates.

Fiscal Year 1994 Net Outlays for Major Budget Accounts

Dollars in billions, in descending order of original estimates

| | Account Code | Agency | Account | Original | Revised |
|----|----------------------|---|---|-----------------|----------------|
| 1 | 20-0550 ^a | Department of the Treasury | Other Interest on the Public Debt | 309.7 | 298.5 296.3 |
| 2 | 20-8006 | Social Security Administration | Federal Old-Age and Survivors Insurance Trust Fund | 283.3 | 282.4 281.6 |
| 3 | 20-8005 | Department of Health and Human Services | Federal Hospital Insurance Trust Fund | 101.2 | 102.9 102.8 |
| 4 | 75-0512 | Department of Health and Human Services | Grants to States for Medicaid | 92.0 | 87.2 82.0 |
| 5 | 20-8004 | Department of Health and Human Services | Federal Supplementary Medical Insurance Trust Fund | 63.6 | 58.3 59.7 |
| 6 | 75-0580 | Department of Health and Human Services | Payments to Health Care Trust Funds | 46.6 | 40.4 40.6 |
| 7 | 20-8007 | Social Security Administration | Federal Disability Insurance Trust Fund | 37.4 | 38.1 38.0 |
| 8 | 24-8135 | Office of Personnel Management | Civil Service Retirement and Disability Fund | 36.1 | 36.2 36.4 |
| 9 | 20-8042 | Department of Labor | Unemployment Trust Fund | 30.9 | 31.0 30.4 |
| 10 | 75-0406 | Department of Health and Human Services | Supplemental Security Income Program | 27.3 | 26.7 26.3 |
| 11 | 97-8097 | Department of Defense—Civil | Military Retirement Fund | 26.8 | 26.5 26.7 |
| 12 | 12-3505 ^a | Department of Agriculture | Food Stamp Program | 26.2 | 26.6 25.4 |
| 13 | 21-2010 | Department of Defense—Military | Military Personnel, Army | 21.3 | 21.6 22.5 |
| 14 | 17-1804 | Department of Defense—Military | Operation and Maintenance, Navy | 20.3 | 20.7 20.3 |
| 15 | 24-0200 | Office of Personnel Management | Payment to Civil Service Retirement and Disability Fund | 19.8 | 20.2 19.7 |
| 16 | 69-8083 | Department of Transportation | Federal-Aid Highways | 19.7 | 17.8 18.6 |
| 17 | 57-3400 | Department of Defense—Military | Operation and Maintenance, Air Force | 19.3 | 19.8 20.4 |
| 18 | 17-1453 | Department of Defense—Military | Military Personnel, Navy | 18.4 | 18.3 18.6 |
| 19 | 36-0102 ^a | Department of Veterans Affairs | Compensation and Pensions | 18.3 | 18.8 18.6 |
| 20 | 21-2020 | Department of Defense—Military | Operation and Maintenance, Army | 16.7 | 17.6 17.8 |
| 21 | 75-1501 | Department of Health and Human Services | Family Support Payments to States | 16.0 | 16.4 16.5 |
| 22 | 57-3500 | Department of Defense—Military | Military Personnel, Air Force | 15.7 | 16.1 16.7 |
| 23 | 36-0160 | Department of Veterans Affairs | Medical Care | 15.5 | 15.3 15.1 |
| 24 | 86-0164 | Department of Housing and Urban Development | Annual Contributions for Assisted Housing | 14.1 | 14.0 15.1 |
| 25 | 57-3600 | Department of Defense—Military | Research, Development, Test, and Evaluation, Air Force | 13.6 | 12.2 12.5 |
| 26 | 11-8242 | Funds Appropriated to the President | Foreign Military Sales Trust Fund | 13.1 | 13.4 13.2 |
| 27 | 97-0040 | Department of Defense—Civil | Payment to Military Retirement Fund | 12.9 | 11.9 11.9 |
| 28 | 12-4336 | Department of Agriculture | Commodity Credit Corporation Fund | 11.4 | 11.3 9.8 |
| 29 | 89-0220 ^a | Department of Energy | Atomic Energy Defense Activities | 11.4 | 11.1 11.8 |
| 30 | 57-3010 | Department of Defense—Military | Aircraft Procurement, Air Force | 10.9 | 10.4 10.3 |
| 31 | 75-9915 ^a | Department of Health and Human Services | National Institutes of Health | 9.9 | 10.3 10.2 |

(continued)

**Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts**

Dollars in billions, in descending order of original estimates

| | Account Code | Agency | Account | Original | Revised |
|----|-------------------------|---|--|-----------------|----------------|
| 32 | 97-0400 | Department of Defense— Military | Research, Development, Test, and Evaluation, Defense-Wide | 9.8 | 9.2 8.3 |
| 33 | 20-0906 | Department of the Treasury | Payment Where Earned Income Credit Exceeds Liability for Tax | 9.8 | 10.0 10.9 |
| 34 | 97-0100 | Department of Defense— Military | Operation and Maintenance, Defense-Wide | 9.4 | 9.3 9.1 |
| 35 | 17-1319 | Department of Defense— Military | Research, Development, Test, and Evaluation, Navy | 9.0 | 8.6 8.0 |
| 36 | 97-0130 | Department of Defense— Military | Defense Health Program | 9.0 | 9.0 9.2 |
| 37 | 17-1611 | Department of Defense— Military | Shipbuilding and Conversion, Navy | 8.8 | 9.0 9.1 |
| 38 | 57-3080 | Department of Defense— Military | Other Procurement, Air Force | 8.2 | 8.3 8.2 |
| 39 | 60-8010 | Railroad Retirement Board | Railroad Social Security Equivalent Benefit Account | 8.0 | 8.0 7.9 |
| 40 | 91-0200 | Department of Education | Student Financial Assistance | 7.9 | 7.4 7.1 |
| 41 | 12-3539 | Department of Agriculture | State Child Nutrition Programs | 7.5 | 7.2 7.0 |
| 42 | 80-0108 | National Aeronautics and Space Administration | Research and Development | 7.3 | 7.2 6.8 |
| 43 | 91-0900 | Department of Education | Education for the Disadvantaged | 6.9 | 6.9 6.8 |
| 44 | 17-1506 | Department of Defense— Military | Aircraft Procurement, Navy | 6.7 | 6.2 6.8 |
| 45 | 75-0404 | Department of Health and Human Services | Payments to Social Security Trust Funds | 6.5 | 5.8 5.7 |
| 46 | 17-1105 | Department of Defense— Military | Military Personnel, Marine Corps | 5.7 | 5.7 5.9 |
| 47 | 21-2040 | Department of Defense— Military | Research, Development, Test, and Evaluation, Army | 5.5 | 5.5 5.7 |
| 48 | 80-0105 | National Aeronautics and Space Administration | Space Flight, Control, and Data Communications | 5.2 | 4.7 4.9 |
| 49 | 17-1810 | Department of Defense— Military | Other Procurement, Navy | 5.1 | 5.0 5.7 |
| 50 | 57-3020 | Department of Defense— Military | Weapons Procurement, Air Force | 5.0 | 4.7 4.3 |
| 51 | 86-0162 | Department of Housing and Urban Development | Community Development Grants | 5.0 | 3.7 3.7 |
| 52 | 16-0174 | Department of Labor | Training and Employment Services | 4.9 | 4.5 4.4 |
| 53 | 75-1536 | Department of Health and Human Services | Children and Families Services Programs | 4.4 | 4.1 4.3 |
| 54 | 86-0194 | Department of Housing and Urban Development | Assistance for the Renewal of Expiring Section 8 Subsidy Contracts | 4.1 | 4.1 3.5 |
| 55 | 20-0913 | Department of the Treasury | Tax Law Enforcement | 4.0 | 4.0 3.9 |
| 56 | 17-1507 | Department of Defense— Military | Weapons Procurement, Navy | 4.0 | 4.3 4.0 |
| 57 | 24-0206 | Office of Personnel Management | Government Payment for Annuitants, Employees Health Benefits | 3.9 | 3.9 3.9 |
| 58 | 11-1082 | Funds Appropriated to the President | Foreign Military Financing Grants | 3.6 | 4.1 4.0 |
| 59 | 91-0300 | Department of Education | Special Education | 3.5 | 3.6 3.0 |
| 60 | 60-0113 | Railroad Retirement Board | Federal Payments to the Railroad Retirement Accounts | 3.3 | 3.1 3.5 |

(continued)

**Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts**

Dollars in billions, in descending order of original estimates

| | Account Code | Agency | Account | Original | Revised |
|----|-------------------------|---|---|-----------------|--------------------|
| 61 | 21-2060 | Department of Defense— Military | National Guard Personnel, Army | 3.3 | 3.4 3.4 |
| 62 | 12-3510 | Department of Agriculture | Special Supplemental Food Program for Women, Infants, and Children | 3.3 | 3.2 3.2 |
| 63 | 89-0224 | Department of Energy | Energy Supply, R&D Activities | 3.1 | 3.1 3.0 |
| 64 | 11-1037 | Funds Appropriated to the President | Economic Support Fund | 3.0 | 2.8 2.8 |
| 65 | 75-1545 | Department of Health and Human Services | Payments to States for Foster Care and Adoption Assistance | 3.0 | 3.0 3.0 |
| 66 | 60-8011 | Railroad Retirement Board | Rail Industry Pension Fund | 2.9 | 2.9 2.9 |
| 67 | 21-2035 | Department of Defense— Military | Other Procurement, Army | 2.9 | 2.8 3.1 |
| 68 | 75-1534 | Department of Health and Human Services | Social Services Block Grant | 2.8 | 2.9 2.7 |
| 69 | 51-4064 | Federal Deposit Insurance Corporation | Bank Insurance Fund | 2.8 | –6.8 –9.5 |
| 70 | 20-0904 | Department of the Treasury | Refunding Internal Revenue Collections, Interest | 2.7 | 2.7 3.1 |
| 71 | 75-0350 | Department of Health and Human Services | Health Resources and Services | 2.7 | 2.6 2.5 |
| 72 | 57-3840 | Department of Defense— Military | Operation and Maintenance, Air National Guard | 2.6 | 2.6 2.6 |
| 73 | 68-0103 | Environmental Protection Agency | Water Infrastructure Financing | 2.6 | 2.4 2.0 |
| 74 | 16-0327 | Department of Labor | Advances to the Unemployment Trust Fund and Other Funds | 2.6 | 3.0 3.0 |
| 75 | 69-0201 | Department of Transportation | Operating Expenses | 2.5 | 2.6 2.5 |
| 76 | 86-0163 | Department of Housing and Urban Development | Payments for Operation of Low Income Housing Projects | 2.5 | 2.5 2.6 |
| 77 | 10-0920 20-1851 | The Judiciary Department of the Treasury | Salaries and Expenses Payment to the Resolution Funding Corporation | 2.4 2.3 | 2.2 2.1 2.3 2.3 |
| 78 | 69-1301 | Department of Transportation | Operations | 2.3 | 2.3 2.4 |
| 79 | 75-1362 ^a | Department of Health and Human Services | Substance Abuse and Mental Health Services | 2.3 | 2.4 2.4 |
| 80 | 69-8104 | Department of Transportation | Trust Fund Share of FAA Operations | 2.3 | 2.3 2.2 |
| 81 | 91-0301 | Department of Education | Rehabilitation Services and Disability Research | 2.2 | 2.4 2.2 |
| 82 | 21-2065 | Department of Defense— Military | Operation and Maintenance, Army National Guard | 2.2 | 2.2 2.2 |
| 83 | 19-0113 | Department of State | Diplomatic and Consular Programs | 2.2 | 1.8 1.8 |
| 84 | 49-0100 | National Science Foundation | Research and Related Activities | 2.1 | 2.1 2.0 |
| 85 | 69-8107 | Department of Transportation | Facilities and Equipment | 2.1 | 2.0 2.4 |
| 86 | 75-1502 | Department of Health and Human Services | Low Income Home Energy Assistance | 2.1 | 2.1 2.1 |
| 87 | 21-2070 | Department of Defense— Military | Reserve Personnel, Army | 2.1 | 2.1 2.1 |
| 88 | 91-0231 | Department of Education | Federal Family Education Loan Program Account | 2.0 | 2.5 2.7 |
| 89 | 97-0300 | Department of Defense— Military | Procurement, Defense-Wide | 2.0 | 1.9 1.8 |

(continued)

Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts

Dollars in billions, in descending order of original estimates

| | Account Code | Agency | Account | Original | Revised |
|-----|---------------------|---|--|-----------------|----------------|
| 90 | 15-0200 | Department of Justice | Salaries and Expenses | 1.9 | 2.0 2.1 |
| 91 | 15-1060 | Department of Justice | Salaries and Expenses | 1.9 | 1.9 1.9 |
| 92 | 69-8106 | Department of Transportation | Grants-in-Aid for Airports | 1.9 | 1.9 1.6 |
| 93 | 17-1106 | Department of Defense— Military | Operation and Maintenance, Marine Corps | 1.8 | 1.8 1.9 |
| 94 | 12-3319 | Department of Agriculture | Conservation Reserve Program | 1.8 | 1.8 1.7 |
| 95 | 91-1000 | Department of Education | School Improvement Programs | 1.8 | 1.6 1.5 |
| 96 | 75-0943 | Department of Health and Human Services | Disease Control, Research, and Training | 1.8 | 1.7 1.6 |
| 97 | 91-0230 | Department of Education | Federal Family Education Loan Liquidating Account | 1.8 | –0.6 –3.0 |
| 98 | 20-0912 | Department of the Treasury | Processing Tax Returns and Assistance | 1.7 | 1.7 1.8 |
| 99 | 21-2031 | Department of Defense— Military | Aircraft Procurement, Army | 1.7 | 1.7 1.7 |
| 100 | 80-0103 | National Aeronautics and Space Administration | Research and Program Management | 1.7 | 1.7 1.7 |
| 101 | 13-1450 | Department of Commerce | Operations, Research, and Facilities | 1.7 | 1.7 1.7 |
| 102 | 20-8145 | Environmental Protection Agency | Hazardous Substance Superfund | 1.6 | 1.6 1.5 |
| 103 | 18-4020 | Postal Service | Postal Service Fund | 1.6 | 1.7 1.1 |
| 104 | 75-0390 | Department of Health and Human Services | Indian Health Services | 1.6 | 1.6 1.5 |
| 105 | 97-0350 | Department of Defense— Military | National Guard and Reserve Equipment | 1.5 | 1.4 2.0 |
| 106 | 17-1405 | Department of Defense— Military | Reserve Personnel, Navy | 1.5 | 1.5 1.6 |
| 107 | 89-0222 | Department of Energy | General Science and Research Activities | 1.5 | 1.6 1.3 |
| 108 | 20-0919 | Department of the Treasury | Information Systems | 1.5 | 1.5 1.3 |
| 109 | 20-0602 | Department of the Treasury | Salaries and Expenses | 1.5 | 1.5 1.6 |
| 110 | 69-8191 | Department of Transportation | Discretionary Grants | 1.5 | 1.4 1.7 |
| 111 | 14-2100 | Department of the Interior | Operation of Indian Programs | 1.4 | 1.4 1.4 |
| 112 | 91-0400 | Department of Education | Vocational and Adult Education | 1.4 | 1.3 1.3 |
| 113 | 21-2033 | Department of Defense— Military | Procurement of Weapons and Tracked Combat Vehicles, Army | 1.4 | 1.5 1.0 |
| 114 | 68-0108 | Environmental Protection Agency | Abatement, Control, and Compliance | 1.4 | 1.3 1.3 |
| 115 | 21-2032 | Department of Defense— Military | Missile Procurement, Army | 1.4 | 1.3 1.4 |
| 116 | 11-1021 | Funds Appropriated to the President | Functional Development Assistance Program | 1.3 | 1.3 1.5 |
| 117 | 21-0702 | Department of Defense— Military | Family Housing, Army | 1.3 | 1.3 1.3 |
| 118 | 58-0104 | Federal Emergency Management Agency | Disaster Relief | 1.3 | 2.0 3.7 |
| 119 | 12-1106 | Department of Agriculture | National Forest System | 1.3 | 1.5 1.3 |
| 120 | 51-4065 | Federal Deposit Insurance Corporation | FSLIC Resolution Fund | 1.3 | 1.4 –0.7 |
| 121 | 57-3740 | Department of Defense— Military | Operation and Maintenance, Air Force Reserve | 1.3 | 1.3 1.3 |
| 122 | 21-2034 | Department of Defense— Military | Procurement of Ammunition, Army | 1.2 | 1.0 1.0 |

(continued)

**Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts**

Dollars in billions, in descending order of original estimates

| | Account Code | Agency | Account | Original | Revised |
|-----|-------------------------|--|--|-----------------|----------------|
| 123 | 36-8132 | Department of Veterans Affairs | National Service Life Insurance Fund | 1.2 | 1.2 1.2 |
| 124 | 69-8350 | Department of Transportation | Trust Fund Share of Expenses | 1.2 | 1.7 1.7 |
| 125 | 96-3123 | Department of Defense—Civil | Operation and Maintenance, General | 1.2 | 1.3 1.2 |
| 126 | 57-3850 | Department of Defense— Military | National Guard Personnel, Air Force | 1.2 | 1.2 1.3 |
| 127 | 36-0137 | Department of Veterans Affairs | Readjustment Benefits | 1.2 | 1.2 1.1 |
| 129 | 12-2278 | Department of Agriculture | P.L. 480 Grants - Titles I, II, and III | 1.2 | 1.3 1.3 |
| 130 | 97-0103 | Department of Defense— Military | Base Realignment and Closure Account | 1.2 | 1.3 1.7 |
| 131 | 96-3122 | Department of Defense—Civil | Construction, General | 1.2 | 1.3 1.0 |
| 132 | 14-1036 | Department of the Interior | Operation of the National Park System | 1.1 | 1.0 1.0 |
| 133 | 17-0703 | Department of Defense— Military | Family Housing, Navy and Marine Corps | 1.1 | 0.9 0.8 |
| 134 | 57-0704 | Department of Defense— Military | Family Housing, Air Force | 1.1 | 1.1 1.1 |
| 135 | 57-3300 | Department of Defense— Military | Military Construction, Air Force | 1.1 | 0.9 1.0 |
| 136 | 11-0073 | Funds Appropriated to the President | Contribution to the International Development Association | 1.1 | 0.9 0.9 |
| 137 | 21-2080 | Department of Defense— Military | Operation and Maintenance, Army Reserve | 1.1 | 1.0 1.0 |
| 138 | 12-2081 | Department of Agriculture | Rural Housing Insurance Fund Program Account | 1.1 | 1.1 1.0 |
| 139 | 97-0131 | Department of Defense— Military | Real Property Maintenance, Defense | 1.1 | 1.0 1.0 |
| 140 | 75-1515 | Department of Health and Human Services | Payments to States for Child Care Assistance | 1.0 | 1.0 0.8 |
| 141 | 20-8144 | Department of Labor | Black Lung Disability Trust Fund | 1.0 | 1.0 1.0 |
| 142 | 64-4110 | Tennessee Valley Authority | Tennessee Valley Authority Fund | 1.0 | 0.9 1.2 |
| 143 | 19-1126 | Department of State | Contributions to International Organizations | 1.0 | 0.9 0.8 |
| 144 | 15-1217 | Department of Justice | Salaries and Expenses | 1.0 | 1.1 1.0 |
| 145 | 68-0200 | Environmental Protection Agency | Program and Research Operations | 0.9 | 0.9 0.9 |
| 146 | 86-0205 | Department of Housing and Urban Development | Home Investment Partnerships Program | 0.9 | 0.9 0.8 |
| 147 | 91-0201 | Department of Education | Higher Education | 0.8 | 0.9 0.8 |
| 148 | 17-1205 | Department of Defense— Military | Military Construction, Navy | 0.8 | 0.7 0.6 |
| 149 | 15-0322 | Department of Justice | Salaries and Expenses, United States Attorneys | 0.8 | 0.8 0.8 |
| 150 | 36-0151 | Department of Veterans Affairs | General Operating Expenses | 0.8 | 0.8 0.8 |
| 151 | 69-1129 | Department of Transportation | Formula Grants | 0.8 | 0.3 0.2 |
| 152 | 21-2050 | Department of Defense— Military | Military Construction, Army | 0.8 | 0.7 0.7 |
| 153 | 91-0102 | Department of Education | Impact Aid | 0.7 | 1.0 0.8 |
| 154 | 75-9911 ^a | Department of Health and Human Services | Salaries and Expenses | 0.7 | 0.9 0.8 |
| 155 | 47-4542 | General Services Administration | Federal Buildings Fund | 0.7 | 0.8 0.2 |
| 156 | 12-4085 | Department of Agriculture | Federal Crop Insurance Corporation Fund | 0.6 | 0.7 1.0 |

(continued)

**Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts**

Dollars in billions, in descending order of original estimates

| | Account Code | Agency | Account | Original | Revised |
|-----|-------------------------|--|---|-----------------|----------------|
| 157 | 15-0401 | Department of Justice | Justice Assistance | 0.6 | 0.8 0.7 |
| 158 | 19-1124 | Department of State | Contributions for International Peacekeeping Activities | 0.5 | 1.1 1.0 |
| 159 | 12-4141 | Department of Agriculture | Rural Housing Insurance Fund Liquidating Account | 0.5 | 0.4 0.1 |
| 160 | 86-4072 | Department of Housing and Urban Development | FHA General and Special Risk Insurance Funds Liquidating Account | 0.5 | 0.0 -0.3 |
| 161 | 86-0143 | Department of Housing and Urban Development | Salaries and Expenses, Including Transfer of Funds | 0.5 | 0.4 0.5 |
| 162 | 12-4155 | Department of Agriculture | Rural Development Insurance Fund Liquidating Account | 0.4 | 0.4 0.3 |
| 163 | 75-0511 | Department of Health and Human Services | Program Management | 0.4 | 0.0 0.0 |
| 164 | 16-1521 | Department of Labor | Special Benefits | 0.2 | 0.2 0.1 |
| 165 | 36-4025 | Department of Veterans Affairs | Loan Guaranty Revolving Fund Liquidating Account | 0.2 | 0.1 -0.1 |
| 166 | 17-4557 | Department of Defense— Military | National Defense Sealift Fund | 0.2 | 0.1 0.4 |
| 167 | 16-0179 | Department of Labor | State Unemployment Insurance and Employment Service Operations | 0.1 | 0.0 0.2 |
| 168 | 89-4045 | Department of Energy | Bonneville Power Administration Fund | 0.0 | 0.1 0.2 |
| 169 | 04-4505 | Legislative Branch | Government Printing Office Revolving Fund | 0.0 | 0.0 0.0 |
| 170 | 86-4115 | Department of Housing and Urban Development | Housing for the Elderly or Handicapped Fund Liquidating Account | 0.0 | 0.1 0.0 |
| 171 | 47-4548 | General Services Administration | Information Technology Fund | 0.0 | 0.1 0.0 |
| 172 | 21-4528 | Department of Defense— Military | Army Conventional Ammunition Working Capital Fund | 0.0 | 0.0 0.1 |
| 173 | 96-4902 | Department of Defense—Civil | Revolving Fund | 0.0 | 0.0 -0.1 |
| 174 | 20-4521 | Department of the Treasury | Federal Financing Bank | 0.0 | 0.0 0.0 |
| 175 | 47-4530 | General Services Administration | General Supply Fund | 0.0 | 0.0 0.0 |
| 176 | 75-9941 ^a | Department of Health and Human Services | Service, Supply, and Other Funds | 0.0 | 0.0 0.0 |
| 177 | 58-4236 | Federal Emergency Management Agency | National Flood Insurance Fund | 0.0 | 0.1 -0.1 |
| 178 | 24-9981 ^a | Office of Personnel Management | Employees and Retired Employees Health Benefits Fund | -0.2 | -1.0 -0.7 |
| 179 | 86-4070 | Department of Housing and Urban Development | FHA Mutual Mortgage and Cooperative Housing Insurance Funds Liquidating Account | -0.3 | -1.5 -0.2 |
| 180 | 12-4140 | Department of Agriculture | Agricultural Credit Insurance Fund Liquidating Account | -0.4 | -0.1 -0.2 |
| 181 | 89-0226 ^a | Department of Energy | Uranium Supply and Enrichment Activities | -0.4 | 0.1 0.1 |
| 182 | 86-4238 | Department of Housing and Urban Development | Guarantees of Mortgage-Backed Securities Liquidating Account | -0.5 | -0.6 -0.5 |

(continued)

Appendix II
Fiscal Year 1994 Net Outlays for Major
Budget Accounts

Dollars in billions, in descending order of original estimates

| | Account Code | Agency | Account | Original | Revised |
|-----|-------------------------|---------------------------------|---|-----------------|----------------|
| 183 | 12-4230 | Department of Agriculture | Rural Electrification and Telephone Revolving Fund Liquidating Account | -0.9 | -0.6 -0.7 |
| 184 | 24-8424 | Office of Personnel Management | Employees Life Insurance Fund | -1.0 | -1.1 -1.1 |
| 185 | 20-4444 | Department of the Treasury | Exchange Stabilization Fund | -1.1 | -0.9 -1.3 |
| 186 | 97-4930 ^a | Department of Defense— Military | Defense Business Operations Fund | -2.5 | 3.3 3.4 |
| 187 | 22-4055 | Resolution Trust Corporation | RTC Revolving Fund | -4.3 | 3.5 4.1 |

^aRepresents a combination of accounts to ensure comparability (1) between original and/or revised estimates and actual outlays or (2) between fiscal year 1994 outlays and prior year outlays.

Accounts With More Than a 10-Percent Difference Between Revised Estimates and Actual Outlays at Least Three Times Between Fiscal Years 1991 and 1994

Dollars in billions, sorted in descending order of absolute average percentage change.

| | Agency | Account | Account type |
|----|---|---|-----------------------------|
| 1 | Department of Agriculture | Rural Electrification and Telephone Revolving Fund Liquidating Account | Revolving fund |
| 2 | Federal Emergency Management Agency | National Flood Insurance Fund | Revolving fund |
| 3 | Department of Health and Human Services | Program Management | Discretionary |
| 4 | Department of Housing and Urban Development | FHA Mutual Mortgage and Cooperative Housing Insurance Funds Liquidating Account | Revolving fund |
| 5 | Department of Energy | Uranium Supply and Enrichment Activities | Revolving fund ^b |
| 6 | Legislative Branch | Government Printing Office Revolving Fund | Revolving fund |
| 7 | Federal Deposit Insurance Corporation | Bank Insurance Fund | Revolving fund |
| 8 | Department of Defense—Military | Defense Business Operations Fund | Revolving fund |
| 9 | Department of Labor | State Unemployment Insurance and Employment Service Operations | Discretionary |
| 10 | Department of Veterans Affairs | Loan Guaranty Revolving Fund Liquidating Account | Revolving fund |
| 11 | Resolution Trust Corporation | RTC Revolving Fund | Revolving fund |
| 12 | Department of Energy | Bonneville Power Administration Fund | Revolving fund |
| 13 | Tennessee Valley Authority | Tennessee Valley Authority Fund | Revolving fund |
| 14 | Department of Education | Federal Family Education Loan Liquidating Account | Mandatory |
| 15 | General Services Administration | Federal Buildings Fund | Revolving fund |
| 16 | Export-Import Bank of the United States | Export-Import Bank of the United States Liquidating Account | Revolving fund |
| 17 | General Services Administration | Information Technology Fund | Revolving fund |
| 18 | Department of Housing and Urban Development | Housing for the Elderly or Handicapped Fund Liquidating Account | Revolving fund |

Appendix III
Accounts With More Than a 10-Percent
Difference Between Revised Estimates and
Actual Outlays at Least Three Times
Between Fiscal Years 1991 and 1994

| Account code | 1991 | | 1992 | | 1993 | | 1994 | |
|----------------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| | Actual net outlays | Percent change | Actual net outlays | Percent change | Actual net outlays | Percent change | Actual net outlays | Percent change |
| 12-4230 | a | a | -1.0 | -271.2 | -1.4 | 145.2 | -0.7 | 27.7 |
| 58-4236 | -0.2 | 341.0 | -0.1 | -31.6 | 0.5 | -3525.9 | -0.1 | -176.0 |
| 75-0511 | 0.1 | 120.8 | -0.1 | -59.4 | 0.1 | -49.6 | 0.0 | -139.8 |
| 86-4070 | a | a | 0.9 | -603.1 | 0.2 | -191.5 | -0.2 | -83.1 |
| 89-0226 ^c | -0.1 | 11.3 | -0.3 | 40.1 | -0.4 | 284.1 | 0.1 | -17.4 |
| 04-4505 | 0.0 | 187.5 | 0.0 | 132.0 | 0.0 | -2714.1 | 0.0 | 163.4 |
| 51-4064 | 7.4 | -53.6 | 3.7 | -88.9 | -9.8 | -345.3 | -9.5 | 39.0 |
| 97-4930 ^c | -1.9 | -427.1 | 3.2 | -43.0 | -4.9 | 71.9 | 3.4 | 0.4 |
| 16-0179 | 0.0 | -199.7 | 0.0 | -259.6 | 0.0 | -1.3 | 0.2 | 616.7 |
| 36-4025 | a | a | 0.1 | -72.2 | 0.1 | -71.4 | -0.1 | -165.5 |
| 22-4055 | 50.7 | -40.0 | -9.0 | -122.1 | -19.2 | 386.9 | 4.1 | 16.6 |
| 89-4045 | -0.4 | 81.5 | 0.4 | -4604.5 | 0.6 | 4.7 | 0.2 | 118.6 |
| 64-4110 | 0.0 | -139.5 | 1.5 | 295.1 | 1.6 | 19.4 | 1.2 | 32.6 |
| 91-0230 | a | a | 1.5 | -20.4 | 3.2 | 16.5 | -3.0 | 447.5 |
| 47-4542 | 0.3 | -58.0 | 0.3 | -7.4 | 0.6 | -46.3 | 0.2 | -81.3 |
| 83-4027 | a | a | -0.2 | -155.9 | -1.0 | -24.2 | -1.0 | 49.7 |
| 47-4548 | 0.1 | 38.4 | 0.0 | -89.8 | 0.0 | -77.6 | 0.0 | -80.5 |
| 86-4115 | a | a | 0.5 | -25.5 | 0.1 | -55.3 | 0.0 | -118.0 |

(continued)

Appendix III
Accounts With More Than a 10-Percent
Difference Between Revised Estimates and
Actual Outlays at Least Three Times
Between Fiscal Years 1991 and 1994

Dollars in billions, sorted in descending order of absolute average percentage change.

| | Agency | Account | Account type |
|----|---|--|---------------------|
| 19 | Department of Housing and Urban Development | FHA General and Special Risk Insurance Funds Liquidating Account | Revolving fund |
| 20 | Department of Health and Human Services | Payments to States for Child Care Assistance | Discretionary |
| 21 | Department of Agriculture | Rural Housing Insurance Fund Liquidating Account | Revolving fund |
| 22 | Department of the Treasury | Exchange Stabilization Fund | Revolving fund |
| 23 | Department of Agriculture | Commodity Credit Corporation Guaranteed Loans Liquidating Account | Revolving fund |
| 24 | Office of Personnel Management | Employees and Retired Employees Health Benefits Fund | Revolving fund |
| 25 | Funds Appropriated to the President | Functional Development Assistance Program | Discretionary |
| 26 | Federal Emergency Management Agency | Disaster Relief | Discretionary |
| 27 | Federal Deposit Insurance Corporation | FSLIC Resolution Fund | Revolving fund |
| 28 | Department of Labor | Pension Benefit Guaranty Corporation Fund | Revolving fund |
| 29 | Department of Housing and Urban Development | Home Investment Partnerships Program | Discretionary |
| 30 | Department of Defense—Military | National Guard and Reserve Equipment | Discretionary |
| 31 | Department of Agriculture | Rural Development Insurance Fund Liquidating Account | Revolving fund |
| 32 | Department of Defense—Military | Military Construction, Navy | Discretionary |
| 33 | Department of Labor | Special Benefits | Mandatory |
| 34 | Department of Justice | Justice Assistance | Discretionary |
| 35 | Department of Defense—Military | Other Procurement, Army | Discretionary |
| 36 | Department of Housing and Urban Development | Assistance for the Renewal of Expiring Section 8 Subsidy Contracts | Discretionary |
| 37 | Department of Defense—Military | Other Procurement, Navy | Discretionary |
| 38 | Department of Defense—Military | Base Realignment and Closure Account | Discretionary |

Appendix III
Accounts With More Than a 10-Percent
Difference Between Revised Estimates and
Actual Outlays at Least Three Times
Between Fiscal Years 1991 and 1994

| Account code | 1991 | | 1992 | | 1993 | | 1994 | |
|--------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| | Actual net outlays | Percent change | Actual net outlays | Percent change | Actual net outlays | Percent change | Actual net outlays | Percent change |
| 86-4072 | a | a | 1.1 | 21.8 | 0.3 | -68.6 | -0.3 | -3287.0 |
| 75-1515 | 0.0 | -100.0 | 0.0 | -100.0 | 0.4 | -0.4 | 0.8 | -19.8 |
| 12-4141 | a | a | 1.3 | -18.9 | 0.2 | -67.5 | 0.1 | -73.0 |
| 20-4444 | -2.2 | 22.5 | -2.3 | 46.6 | -1.4 | 37.9 | -1.3 | 43.4 |
| 12-4338 | a | a | 0.5 | -46.0 | 0.5 | -49.8 | 0.5 | 19.7 |
| 24-9981 | -0.9 | 11.0 | -0.4 | 24.3 | -0.9 | 498.2 | -0.7 | -32.3 |
| 11-1021 | 1.6 | 46.4 | 1.4 | 27.2 | 1.5 | 15.3 | 1.5 | 17.6 |
| 58-0104 | 0.6 | -32.9 | 0.9 | 36.7 | 2.3 | -9.9 | 3.7 | 85.0 |
| 51-4065 | 8.6 | -22.7 | 8.5 | 20.6 | 2.4 | -38.4 | -0.7 | -151.6 |
| 16-4204 | -0.8 | 30.1 | -0.7 | 33.3 | -1.5 | 91.2 | -0.4 | -57.5 |
| 86-0205 | 0.0 | -100.0 | 0.0 | -90.9 | 0.2 | -23.7 | 0.8 | -10.7 |
| 97-0350 | 1.3 | 12.1 | 1.6 | 15.4 | 1.7 | -2.4 | 2.0 | 42.7 |
| 12-4155 | a | a | 0.7 | -10.6 | 0.5 | -15.4 | 0.3 | -26.5 |
| 17-1205 | 0.8 | -25.2 | 1.0 | 5.0 | 0.9 | -15.5 | 0.6 | -21.5 |
| 16-1521 | 0.2 | -14.0 | 0.2 | 16.7 | 0.2 | -16.6 | 0.1 | -37.1 |
| 15-0401 | 0.5 | -18.2 | 0.6 | 14.8 | 0.6 | -18.6 | 0.7 | -22.6 |
| 21-2035 | 4.8 | 12.1 | 3.8 | 9.4 | 3.9 | 19.4 | 3.1 | 11.4 |
| 86-0194 | 0.4 | -32.5 | 1.5 | 19.5 | 2.5 | -17.8 | 3.5 | -15.2 |
| 17-1810 | 6.2 | 16.2 | 6.1 | 11.1 | 6.4 | 6.2 | 5.7 | 13.7 |
| 97-0103 | 0.2 | -7.4 | 0.4 | -33.6 | 0.8 | 19.7 | 1.7 | 28.1 |

(continued)

Appendix III
Accounts With More Than a 10-Percent
Difference Between Revised Estimates and
Actual Outlays at Least Three Times
Between Fiscal Years 1991 and 1994

Dollars in billions, sorted in descending order of absolute average percentage change.

| | Agency | Account | Account type |
|----|---|--|---------------------|
| 39 | Department of the Treasury | Refunding Internal Revenue Collections, Interest | Mandatory |
| 40 | Department of Defense—Military | Procurement of Weapons and Tracked Combat Vehicles, Army | Discretionary |
| 41 | Department of Defense—Military | Military Construction, Air Force | Discretionary |
| 42 | Department of Housing and Urban Development | Guarantees of Mortgage-Backed Securities Liquidating Account | Revolving fund |
| 43 | Postal Service | Postal Service Fund | Revolving fund |
| 44 | Department of Agriculture | Federal Crop Insurance Corporation Fund | Revolving fund |
| 45 | Department of Education | School Improvement Programs | Discretionary |
| 46 | Department of Defense—Civil | Construction, General | Discretionary |

Appendix III
Accounts With More Than a 10-Percent
Difference Between Revised Estimates and
Actual Outlays at Least Three Times
Between Fiscal Years 1991 and 1994

| Account code | 1991 | | 1992 | | 1993 | | 1994 | |
|--------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|
| | Actual net outlays | Percent change | Actual net outlays | Percent change | Actual net outlays | Percent change | Actual net outlays | Percent change |
| 20-0904 | 2.8 | 24.6 | 3.3 | 23.9 | 2.1 | -18.0 | 3.1 | 14.5 |
| 21-2033 | 2.5 | -9.4 | 2.2 | -17.5 | 2.1 | 16.5 | 1.0 | -33.0 |
| 57-3300 | 0.8 | -27.6 | 0.9 | 21.0 | 0.9 | -19.2 | 1.0 | 4.1 |
| 86-4238 | ^a | ^a | -0.4 | 25.8 | -0.5 | 26.4 | -0.5 | -13.9 |
| 18-4020 | 1.3 | 2137.8 | 0.7 | -20.1 | 1.4 | -11.4 | 1.1 | -36.9 |
| 12-4085 | 0.5 | -11.4 | 0.6 | 7.9 | 0.1 | -73.4 | 1.0 | 38.8 |
| 91-1000 | 1.4 | -11.4 | 1.5 | -12.7 | 2.0 | 18.5 | 1.5 | -11.3 |
| 96-3122 | 1.1 | 22.3 | 1.2 | 33.9 | 1.0 | -7.5 | 1.0 | -26.8 |

^aAccount created as a result of the Credit Reform Act of 1990. Pre-1992 data are either nonexistent or not comparable. Therefore, no 1991 data are shown.

^bThis account includes the activities of the United States Enrichment Corporation.

^cRepresents a combination of accounts to ensure comparability between fiscal years.

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